

ILLINOIS
COMMERCE COMMISSION

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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CHIEF CLERK'S OFFICE

HUNTINGTON PARK APARTMENTS :

Complainant :

v. :

Docket No. 02-0001

**COMMONWEALTH EDISON
COMPANY, :**

Respondent :

Direct Testimony of

GARRY PACHOLSKI

**Customer Relations
Commonwealth Edison Company**

1 **Q. Please state your name and business address for the record.**

2 A. My name is Garry Pacholski. My business address is Commercial Center, 1919
3 Swift Drive, Oak Brook, Illinois.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed as a Senior Analyst in the Customer Relations Department of the
6 Commonwealth Edison Company ("ComEd").

7 **Q. How long have you been employed by ComEd?**

8 A. I have been employed by ComEd for thirty-three years.

9 **Q. Please describe briefly your job responsibilities with ComEd over the past**
10 **thirty-three years.**

11 A. Since joining ComEd in 1970, I have had responsibilities in our customer service,
12 meter reading, billing, and customer relations departments. I joined ComEd in
13 1970 as a mail clerk in the Chicago South region. I then served as a customer
14 service representative in the Chicago South region for the next seven years. From
15 1978 through 1987, I served as an unmetered current adjuster for the Chicago
16 South Region. In 1988, I was promoted to Supervisor, Meter Reading for the
17 Chicago South Region. In 1989, I transferred departments and became
18 Supervisor, Billing Adjustment for the Chicago South Region. In 1990, I became
19 a Staff Analyst, Billing. I held that position for approximately six years. In 1995,
20 I again transferred departments and locations and began my work as an Assistant
21 Administrator, Oak Brook Call Center. After three years, I was promoted to
22 Supervisor, System Billing. I then held that position for approximately two years

23 before I began my current assignment as Senior Analyst, Customer Relations
24 Department.

25 **Q. Can you describe briefly your understanding of the general purpose of the**
26 **Customer Relations Department?**

27 A. Yes. The Customer Relations Department reviews, investigates, evaluates, and
28 attempts to resolve certain customer complaints, including those involving billing
29 and credit issues.

30 **Q. Please briefly describe your duties and responsibilities in the Customer**
31 **Relations Department.**

32 A. As a Senior Analyst, I investigate and address customer inquiries and complaints
33 filed with the Illinois Commerce Commission and other agencies. My
34 responsibilities also include the investigation and resolution of escalated customer
35 inquiries that are directed to me by ComEd management. In the ordinary course
36 of my duties, I routinely review customer bills to determine their accuracy. As
37 part of my responsibilities, I supervise management employees in the Customer
38 Relations Department and assign complaints relating to billing and other issues
39 within the Customer Relations Department.

40 **Q. Are you familiar with the demand charges billed by ComEd to Huntington**
41 **Park Apartments?**

42 A. Yes, I am. Because of my extensive experience during my career at ComEd in
43 preparing and supervising billing adjustments, I was asked to review the demand
44 charges billed by ComEd to Huntington Park Apartments in order to determine
45 whether the charges assessed were appropriate.

46 **Q. How many billing adjustments have you prepared in your career with**
47 **ComEd?**

48 A. I would conservatively say that I have prepared thousands of billing adjustments.

49 **Q. In your current position, how often do you review demand billings?**

50 A. I review demand billings nearly every day.

51 **Q. What are demand charges?**

52 A. Simply stated, demand charges measure the rate at which a customer uses
53 ComEd's electric service. That rate is measured by determining the highest
54 number of kilowatts used during any half-hour period in a 30-day billing period.

55 **Q. Why do Huntington Park's bills include demand charges?**

56 A. ComEd's Residential Rate 1 only allows for common areas of residential
57 buildings with six or fewer units to be billed on the residential rate. Common
58 areas of buildings with more than six residential units, such as Huntington Park,
59 must be billed on General Service Rate 6. Rate 6 has two components: (1) a
60 kilowatt hour charge; and (2) a demand charge. With respect to the demand
61 charge, customers may be billed in lieu of demand or be billed for actual demand
62 charges as recorded on demand meters. Customers with relatively low usage
63 accounts are charged in lieu of demand. Customers with monthly demand usage
64 over 10 kilowatts or kilowatt hour usage over 2,000 are charged actual demand
65 charges. In sum, ComEd charges all of its non-residential customers demand
66 charges. As Mr. Hughes states in his testimony, the Huntington Park Apartments
67 complex at 1281 Nantucket has 240 units and 11 common area meters. Rate 6
68 further provides that demands and kilowatts must be added together to allow for

69 the combined billing of contiguous properties owned by the same company, as is
70 the case here. As Huntington Park's cumulative usage on its 11 meters at the
71 complex exceeds 10 kilowatts per month, it must be charged actual demand
72 charges as recorded on the demand meters according to ComEd's tariffs.

73 **Q. What particular information did you review in preparing your testimony?**

74 A. I reviewed ComEd's available meter reading and billing records for Huntington
75 Park Apartment's account for service to 1281 Nantucket Road in Aurora, Illinois
76 for the time period at issue in Huntington Park's complaint.

77 **Q. For what time period did ComEd have meter and billing records available**
78 **for Huntington Park's account?**

79 A. ComEd had continuous records available from December 1999 through January
80 2002. I did not review any billing records after January 2002 because those bills
81 are not disputed by Huntington Park in its complaint.

82 **Q. Why did you not review any ComEd records prior to December 1999?**

83 A. In its regular course of business, ComEd does not maintain business records for
84 more than two years. In this case, I was able to obtain some archived data that
85 allowed me to extend my analysis back to December 1999. Before that date,
86 ComEd no longer has continual business records.

87 **Q. Are you aware that Huntington Park produced bills to ComEd that date**
88 **before December 1999?**

89 A. Yes.

90 **Q. Why didn't you rely on those bills to extend your analysis back before**
91 **December 1999?**

92 A. I did not rely on those bills for two reasons. First, any dispute regarding bills
93 issued before January 2000 are time-barred under the Commission's rules.
94 Second, Huntington Park did not produce its bills for each month of the period it
95 claims is at issue in the complaint. Without continuous bills, it is impossible for
96 me to determine whether ComEd issued a bill and then subsequently adjusted or
97 credited any demand charges charged to Huntington Park's account. In other
98 words as a result of gaps in the bills, I could not be certain that I had complete and
99 accurate information for the entire time period. For that reason, I relied on
100 ComEd's billing and meter reading data from December 1999 through January
101 2002 because I knew that the records contained no gaps and that the information
102 was complete.

103 **Q. Does Huntington Park's account contain charges for multiple meters?**

104 A. Yes, it does. Huntington Park's account is "combined billed" which means it
105 owns contiguous property with multiple meters. In such situations, ComEd will
106 combine those meters onto a single account and issue a single bill. This decreases
107 the customer's charges because it need only pay a single customer charge.

108 **Q. How many meters are on Huntington Park's account?**

109 A. There are eleven meters.

110 **Q. Did you review the demand charges assessed on all eleven meters?**

111 A. Yes, I did. In preparing my testimony, I reviewed all the demand charges billed
112 on each of the eleven meters for the time period I previously discussed. I then
113 prepared charts for each of the meters that graph the demand charges, or total

114 kilowatts billed to Huntington Park between December 1999 and January 2002. I
115 have attached copies of those charts to my testimony as Exhibits 3.1-3.11.

116 **Q. Based on your experience, do the demand charges billed to ComEd appear**
117 **appropriate?**

118 A. Yes. For example if you examine Exhibit 3.1 relating to the total kilowatts billed
119 on meter number 078104842, you can see that the total kilowatts billed per month
120 range from 4 to 14 with most of the demand charges fluctuating between 4 and
121 10. Still looking at Exhibit 3.1, you can also see seasonal fluctuations. The
122 demand charges or usage tends to increase during the late fall and winter months
123 and decrease during the spring and summer months. This usage pattern occurs
124 throughout 2000 and 2001. The increased demand in January 2002 also follows
125 this pattern. Exhibit 3.2 which charts demand charges for meter 058898478 also
126 shows this same seasonal pattern and has demands fluctuating between 5 and 10,
127 depending on the time of the year. This same type of seasonal demand fluctuation
128 appears in Exhibits 3.3 (demand charges for meter 079692400), Exhibit 3.4
129 (demand charges for meter 140134297), Exhibit 3.5 (demand charges for meter
130 075770568); Exhibit 3.6 (demand charges for meter 140133910); Exhibit 3.7
131 (demand charges for meter 117909047); Exhibit 3.8 (demand charges for meter
132 097826845); Exhibit 3.9 (demand charges for meter 094962725); and Exhibit
133 3.10 (demand charges for meter 090653026). As you can see in each of those
134 charts, the highest demands are recorded during the winter months.

135 **Q. Based on your experience, why are the demand charges billed to Huntington**
136 **Park in Exhibits 3.1 through 3.10 appropriate?**

137 A. First, these demand charges are based on actual meter readings. Second, there is a
138 recurring pattern of usage over the two-year period. While the total kilowatts
139 billed fluctuate, that is not unusual. As I discussed, the demand charges increase
140 during the winter months indicating increased usage during those months, and
141 then tends to decrease around May of each year. The consistency with historical
142 usage and prior historical readings leads me to conclude that the demand charges
143 billed to Huntington Park are appropriate.

144 **Q. You mentioned that the Huntington Park account has eleven meters, but you**
145 **just discussed only ten meters. What meter did you not include?**

146 A. I did not include meter 082569747 that appears on Exhibit 3.11 attached to my
147 testimony.

148 **Q. Why did you not include meter 082569747 in your prior discussion?**

149 A. While preparing my testimony in this proceeding, I reviewed the demand charges
150 on this meter and determined that the demand charges for three months should be
151 adjusted. As you can see in Exhibit 3.11, most of the demand charges on the
152 meter track the usage pattern I discussed previously. However, the demands
153 charged in February 2001, August 2001, and September 2001 appear abnormally
154 high.

155 **Q. Does Huntington Park dispute the three demand charges on 3.11 that you**
156 **believe should be adjusted?**

157 A. Huntington Park does dispute the February 2001 demand charge of 20.77 and
158 appears to dispute the September 2001 demand charge of 48.06 on Exhibit A to
159 its testimony. I should note that the chart for September 2001 lists a meter

“082569727.” I have given Mr. Hughes the benefit of the doubt and assumed he meant to list meter “08256747.” Interestingly, Mr. Hughes does not dispute the August 2001 demand charge of 33.06.

Q. What adjustment to the demands charged in February, August and September 2001 would be appropriate?

A. As a result of my review, I believe that an adjustment of those demands is appropriate in order to bring those demands in line with the prior historical usage. Thus, I have marked the proposed kilowatt adjustment in red on Exhibit 3.11. For example, the February 2001 demand charge should be reduced from 20.77 to 12.0 and the August demand charge, which Huntington Park does not even dispute in its complaint, would be reduced from 33.38 to 7.0. These adjustments would bring the demands from those months in line with the historical usage readings on the meter. Based on this review, ComEd is willing to credit Huntington Park’s account for those months in the amount of \$1,027.91.

Q. Based on your experience, what would result in a demand reading of 33.38 and 48.06 as indicated in Exhibit 3.11 for the months of August and September 2001?

A. ComEd’s billing records indicate that these readings resulted from “double punches.”

Q. What is a double punch?

A. A double punch occurs when a demand meter, such as those on Huntington Park’s premises, is activated more than once during a monthly billing cycle. Each month, a meter reader reads the meter and then records the kilowatt hour and

183 demand readings into a hand-held computer and then places a seal on the demand
184 reset. When he arrives on the premises the next month, he should find the same
185 seal on the demand reset that he left last month, and the demand reading should
186 read exactly as he left it the prior month. The reader then activates the demand
187 reset and records the new readings. According to ComEd's records, when the
188 meter reader in this case returned in February 2001, he found the demand reading
189 higher than when he left in January 2001. This same phenomenon occurred in
190 August 2001. The meter reader again found the demand reading higher than
191 when he left it in July 2001. And in September 2001, the meter reader again
192 found the demand reading higher than in August 2001. In such circumstances,
193 ComEd's billing system flags these readings suspecting that the meter has been
194 inappropriately activated or tampered with during that monthly billing cycle. The
195 billing system then automatically reduces the demand billed for that meter by half
196 in order to give the customer the benefit of the doubt.

197 **Q. Can you provide an example of this automatic demand reduction to account**
198 **for a double punch using one of the bills Huntington Park produced to**
199 **ComEd in this proceeding?**

200 **A.** Yes, I have attached to my testimony as Exhibit 3.12 a copy of the bill issued to
201 Huntington Park on February 13, 2001 for service provided between January 12
202 and February 13, 2001. This bill was provided to ComEd by Huntington Park.
203 Looking at the total kilowatts billed on meter 082569747, you can see on the far
204 right column that ComEd billed for 20.77 of usage that month. Looking to the
205 left, you can see a "Meter Reading" heading with two columns underneath

206 marked "Previous" and "Present." The "Previous" meter reading is marked as an
207 actual reading of 195.16 and the "Present" meter reading is marked as an
208 estimated reading of 236.70. Based on these readings, ComEd should have
209 charged Huntington Park for usage or demand of 40.54 during that month
210 ($236.70 - 195.16 = 41.54$). Instead, because the meter reader's actual reading
211 indicated that the meter had apparently already been activated during the month,
212 ComEd's billing system automatically converted what was in fact an actual
213 reading of 236.70 into an estimated reading and then reduced the total kilowatt
214 usage in half. This resulted in a billed demand or kilowatt usage for meter
215 082569747 of 20.77 as indicated on the February 13, 2001 bill.

216 **Q. Why does ComEd's billing system mark an actual reading of 236.70 on the**
217 **February 13, 2001 bill as an estimate?**

218 A. As I explained, the conversion of an actual reading into an estimated reading is
219 automatic. The billing system does this automatically in order to bill as many
220 accounts as accurately as possible while simultaneously avoiding unnecessary
221 billing delays to the customer. If the system instead used the two actual readings,
222 it would then automatically bill the customer for the total demand kilowatt usage
223 based on those readings, resulting in a higher bill for the customer. By
224 designating the current actual reading as an estimate, it essentially flags that the
225 meter has been improperly activated during the month between ComEd's meter
226 readings and allows for an automatic billing reduction.

227 **Q. Based on your review of ComEd's records regarding the Huntington Park**
228 **account, did ComEd ever rely on an estimated reading that was not the result**
229 **of a "double punch?"**

230 **A.** No. My review of ComEd's records indicates that a meter reader visited the
231 premises every month and recorded the usage on each meter. In other words,
232 ComEd obtained an actual reading for each meter every month. However, as a
233 result of this double activation of the demand meters, ComEd converted some of
234 the actual readings into estimated readings in order to provide Huntington Park
235 the benefit of the doubt and therefore billed Huntington Park for less usage than
236 registered on its meters. Thus, there was no month during which ComEd did not
237 physically visit the premises and obtain meter readings.

238 **Q. Does this conclude your testimony?**

239 **A.** Yes, it does.